

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	
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THE COLLEGE OF NEW ROCHELLE,	:	Chapter 11
	:	
Debtor.	:	Case No. 19-23694 (RDD)
	:	
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**STIPULATION AND ORDER EXTENDING CHALLENGE PERIOD
WITH RESPECT TO PRE-PETITION LENDERS**

This *Stipulation and Order Extending Challenge Period with Respect to Pre-Petition Lenders* (the “Stipulation”) is made as of January 16, 2020, by and among the Official Committee of Unsecured Creditors (the “Committee”) of The College of New Rochelle (the “Debtor”), and Citizens Bank, N.A. (“Citizens”), The Carney Family Charitable Foundation (“Carney”), KeyBank, N.A. (“KeyBank”), and UMB Bank, N.A. as indenture trustee for bonds issued by The City of New Rochelle Industrial Development Agency (“UMB” and, together with Citizens, Carney and KeyBank, the “Pre-Petition Lenders”).

WHEREAS, on September 20, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the “Court”).

WHEREAS, on October 21, 2019, the Court entered the *Final Order (A) Authorizing the Debtor to Obtain Postpetition Financing, (B) Authorizing the Use of Cash Collateral, (C) Granting Adequate Protection and (D) Granting Related Relief* [Docket No. 104] (the “Final DIP Order”).¹

WHEREAS, paragraph 22 of the Final DIP Order provides that “The Debtor’s

¹ Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Final DIP Order.

Stipulations shall be binding on the Debtor's estate and every party in interest, including, without limitation, any Committee, unless, and solely to the extent that (a) any such party in interest, including any Committee, with standing and requisite authority, has timely commenced an adversary proceeding . . . against the Pre-Petition Lenders (a "Challenge Proceeding") by no later than 90 days after entry of this Final Order (the "Challenge Period") challenging or otherwise objecting to the Debtor's Stipulations or any other matter in connection with or related to the Pre-Petition Loan Documents or the Pre-Petition Liens. The Challenge Period may only be extended with the written consent of the applicable Pre-Petition Lender."

WHEREAS, the Challenge Period is currently scheduled to expire on January 21, 2020.

WHEREAS, the Committee and the Pre-Petition Lenders have agreed to extend the Challenge Period for the Committee pursuant to the terms of this Stipulation.

NOW, THEREFORE, it is stipulated and agreed by and between the Committee and the Pre-Petition Lenders as follows:

1. Upon execution of this Stipulation, the Challenge Period, solely as it applies to the Committee, shall be extended through and including February 21, 2020 (the "Extended Challenge Period"), without prejudice to the rights of the Committee and the Pre-Petition Lenders to further extend the Extended Challenge Period by written agreement.

2. If the Committee files a motion or other pleading seeking standing to pursue a Challenge Proceeding (a "Standing Motion"), the Extended Challenge Period shall be further extended by thirty (30) calendar days to allow the Court to rule on the Standing Motion.

3. Notwithstanding anything to the contrary herein, in the Final DIP Order, or otherwise, the Committee agrees not to challenge the validity, enforceability, priority or perfection of the liens of the Pre-Petition Lenders, other than a challenge to: (i) the amount of

any such lien, and (ii) the extent and perfection of any lien of either KeyBank or Carney with respect to any personalty that is not the subject of a UCC-1 financing statement filed prepetition with the office of the New York Secretary of State.

4. Each of the Pre-Petition Lenders agrees that their liens do not extend to any of the Debtor estate's claims or causes of action arising under chapter 5 of the Bankruptcy Code, any commercial tort claims, any "Tort Action" (as defined in the *Chapter 11 Plan of the College of New Rochelle* [Docket No. 206] (the "Plan")), or any proceeds thereof.

5. All other rights of the Committee and the Prepetition Lenders under the Final DIP Order, the Plan and applicable law are expressly preserved.

6. Nothing in this Stipulation amends or modifies the Final DIP Order except as specifically provided herein.

7. This Stipulation may not be modified other than by a written agreement executed by the parties hereto.

8. This Stipulation may be signed in counterpart originals as if signed in one original document.

9. The Court shall retain jurisdiction with respect to all matters arising under or related to this Stipulation, including, without limitation, any disputes that may arise between or among the parties to the Stipulation, and to interpret, implement, and enforce the provisions of this Stipulation.

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Dated: January 17, 2020
New York, New York

/s/ Andrew H. Sherman
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*Counsel for UMB Bank, N.A. as
Indenture Trustee*

IT IS SO ORDERED:

Dated: February 6, 2020
White Plains, New York

/s/ Michael P. Pompeo
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/s/Robert D. Drain
HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE